

BUDGET WEEK

SU	M	TU	W	TH	F	SA

HOUSE COMMITTEE ON THE BUDGET
Majority Caucus • Jim Nussle, *Chairman*

309 Cannon House Office Building
www.budget.house.gov • (202) 226-7270

Volume 2, No. 16

Summarizing budgetary issues in legislation
scheduled for the House floor

3 June 2002

Week of 3 June 2002

Editor's Note: On 22 May 2002, the House adopted a resolution specifically binding the House to spending and revenue levels of the House-passed budget resolution for fiscal year 2003 (H.Con.Res. 353). Consequently, bills must remain within the spending and revenue levels of the House-passed budget resolution. This discipline will remain in force until Congress passes a conference report on a budget resolution – which has not occurred because the Senate has not passed its own concurrent resolution on the budget.

SUSPENSION CALENDAR

1) ***Microenterprise for Self-Reliance Act of 2000 and the Foreign Assistance Act of 1961*** (H.R. 4073).

This bill makes various reforms of international programs that assist small businesses and individual business persons. The bill would authorize the appropriation of \$175 million in 2003 and cost \$328 million over the 2003-2007 period, assuming the appropriation of authorized amounts. It does not increase direct spending (spending not subject to appropriations) or reduce revenue or receipts. The bill does not violate the Congressional Budget Act.

2) ***National Transportation Safety Board Reauthorization Act of 2002*** (H.R. 4466).

The National Transportation Safety Board [NTSB] responds to civil aviation accidents. It investigates the causes of such accidents and provides assistance to the families of passengers involved. H.R. 4466 authorizes the appropriation of about \$248 million over 5 years for NTSB activities and about \$13 million over 5 years for the NTSB training academy. The bill also authorizes the appropriation of amounts necessary to maintain an emergency fund of \$6 million at all times. The bill will not cause an increase in direct spending or a decrease in revenue.

3) ***Maritime Transportation Antiterrorism Act of 2002*** (H.R. 3983).

This bill establishes a Federal program to protect United States ports from terrorism. In addition, the bill authorizes the appropriation of \$75 million for each of fiscal years 2003 through 2005 for grants to help port facilities implement antiterrorism efforts. The bill will not cause an increase in direct spending or a decrease in revenue.

(continued on next page)

PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to express support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A yellow flag indicates moderate or potential problems. A red flag indicates serious problems. **Note:** Floor schedules and legislative details are subject to change after publication.

This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee's members.

4) ***To Repeal the Sunset of the Economic Growth and Tax Relief Reconciliation Act of 2001 With Respect to the Expansion of the Adoption Credit and Adoption Assistance Programs*** (H.R. 4800).



The Economic Growth and Tax Relief Reconciliation Act of 2001 expanded the adoption tax credit from \$5,000 for expenses associated with adopting a child, to \$10,000. This expansion is currently scheduled to expire after 2010. This legislation makes the credit, and certain other provisions, permanent. The bill is not expected to cause revenue to be lower in fiscal years 2003 through 2007 and does not violate the Congressional Budget Act.

5) ***To Repeal the Sunset of the Economic Growth and Tax Relief Reconciliation Act of 2001 With Respect to the Exclusion From Federal Income Tax for Restitution Received by Victims of the Nazi Regime*** (H.R. 4823).



The Economic Growth and Tax Relief Reconciliation Act of 2001 exempted from Federal income tax restitution received by victims of the Nazi Regime during World War II. This exclusion, however, is scheduled to expire in 2010. This legislation makes the exemption permanent. The bill is not expected to cause revenue to be lower in fiscal years 2003 through 2007 and does not violate the Congressional Budget Act.

6) ***Brownfields Redevelopment Enhancement Act*** (H.R. 2941).



This bill amends the Housing and Community Development Act of 1974 to authorize the Secretary of Housing and Urban Development to make grants (without certain otherwise-required loan guarantees) to eligible public entities and Indian tribes to assist in the environmental cleanup and economic development of brownfield sites. The bill authorizes \$95 million from fiscal year 2003 through fiscal year 2007. It does not increase direct spending or decrease revenue.

LEGISLATION CONSIDERED UNDER A RULE

Bill: ***National Science Foundation Authorization Act of 2002*** (H.R. 4664)



Committee: Science

Summary: The bill reauthorizes programs at the National Science Foundation [NSF]. These programs in general fund research and education in most fields of science and engineering through grants to academic institutions, businesses, science organizations, and other research institutions. In addition, the bill would establish an advisory committee on astronomy and astrophysics, which would be jointly administered by NSF and the National Aeronautics and Space Administration.

Cost: H.R. 4664 would authorize the appropriation of \$19.2 billion for the activities of the NSF over the 2003-2005 period. If implemented, NSF's appropriation would increase from \$4.8 billion in 2002 to \$7.3 billion in 2005. The bill does not increase direct spending or decrease revenue.

Budget Act: This bill does not violate any provisions of the Congressional Budget Act.

Bill: ***Conference Report on Export-Import Bank Reauthorization Act of 2001*** (S. 1372)



Committee: Conference Committee


Summary: This conference report extends the authority of the Export-Import Bank of the United States (Eximbank) to enter into new direct loan obligations and new guaranteed loan commitments through 2006. It also increases the bank's statutory ceiling on its aggregate outstanding loans, guarantees, and insurance. The report expands the Eximbank's set-aside for financing exports by small businesses from 10 percent to 20 percent, and

(continued on next page)

directs the bank to expand outreach to socially and economically disadvantaged small businesses and to small business with fewer than 100 employees.

Cost: This bill has no direct spending impact.

Budget Act: This conference report amends section 1105(a) of title 31 of the U.S. Code, which lists elements required to be included in the President's annual budget submission to Congress. It adds the requirement that the President's budget include a subcategory for the Eximbank that details the appropriation requests for various programs within the bank. Section 1105(a) is within the jurisdiction of the Budget Committee. Section 306 of the Budget Act bars the consideration of any bill containing matter within the jurisdiction of the Budget Committee that has not either been reported by or discharged from that committee. Because this bill has not been referred to the Budget Committee, it violates section 306 of the Budget Act.

Bill: ***Permanent Death Tax Repeal Act of 2002*** (H.R. 2143) 

Committee: Ways and Means

Summary: This bill is intended to make permanent the elimination of the death tax included in last year's Economic Growth and Tax Relief Reconciliation Act [EGTRRA] of 2001. Sunset provisions were included in that bill to meet Senate requirements. Under the Congressional Budget Act, a reconciliation bill in the Senate may not lose revenue after the period provided for in the budget resolution. Last year's budget resolution covered 10 years. Hence, the conference committee at that time was forced to include provisions repealing the various tax cuts at the end of the 10-year period.

Revenue Effect: Estimates prepared by the Joint Committee on Taxation indicate revenue effects will occur in the first 5 years. The revenue loss (compared with the baseline) will occur due to changed behavior related to the gift tax. By making the estate tax relief permanent, some individuals may postpone transferring assets that would be subject to the gift, expecting to reduce their tax liability once the estate tax has been eliminated. This will result in revenue foregone totaling \$9.25 billion between 2003 and 2007.

Budget Act: Though the bill causes revenue reductions, the Budget Resolution for fiscal year 2003, now deemed to be in force (see editor's note on page 1), assumed revenue reductions greater than this amount. Because the bill will not cause revenue to be lower than provided for in the Budget Resolution nor will it cause spending to increase, points of order under section 311 nor 302(f) of the Budget Act will not apply.